

Message Text

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AMEMBASSY LA PAZ
AMEMBASSY LIMA

C O N F I D E N T I A L SECTION 1 OF 3 SANTIAGO 5250

E. O. 11652: GDS

TAGS: EAGR, ECON, SHUM, CI

SUBJECT: CHILE - THE END OF AGRARIAN REFORM

REFS: (A) SANTIAGO A-16 (B) SANTIAGO 3069

1. SUMMARY: WHILE CONFIRMING THE TITLES OF MOST WHO HAVE
RECEIVED EXPROPRIATED PROPERTIES AND IMPROVING THEIR ACCESS
TO CREDIT, THE GOVERNMENT OF CHILE HAS PUT AN END TO LAND REFORM
IN THE NAME OF FREE ENTERPRISE. DECREE LAW 2247 OF JUNE 19
CLOSES A CHAPTER IN CHILEAN HISTORY THAT WAS BOTH THE PRODUCT
AND THE CAUSE OF INTENSE POLITICAL PASSION. THROUGHOUT THE FREI AND
ALLENDE ADMINISTRATIONS, LAND REFORM WAS VIEWED AS SOCIALLY NECESSARY
AND POLITICALLY DESIRABLE. NEITHER GOVERNMENT, HOWEVER, ALLOCATED
THE ECONOMIC RESOURCES THAT MIGHT HAVE PERMITTED THE "REFORMED
FARMER SECTOR" TO EXPAND PRODUCTION EFFICIENTLY. THE PRESENT
REGIME HAS FINALLY GIVEN EFFECT TO THE POLICY IMPERATIVES OF
ITS FREE MARKET BIAS. LAND REFORM IS OVER. THE FIELD IS OPEN
TO LARGE-SCALE AGRIBUSINESS. TOWARDS THIS END THE GOC HAS DIVESTED
ITSELF OF LEGAL AUTHORITY TO EXPORPRIATE, OPENED THE WAY TO
HOLDINGS IN EXCESS OF THE PREVIOUS LIMIT OF 80 BASIC HECTARES,
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AND ESTABLISHED THE LEGAL BASIS FOR INCORPORATION OF ENTERPRISES
IN THE AGRICULTURAL SECTOR. THE MANNER IN WHICH THIS MEASURE
WAS ACHIEVED AND THE LACK OF CONSENSUS REGARDING THE SOCIAL
AND ECONOMIC OBJECTIVES OF AGRICULTURAL POLICY ENSURES THAT
THE UNDERLYING POLITICAL ISSUES ARE BY NO MEANS RESOLVED.
WHEN CHILE'S REVOLVING IDEOLOGICAL DOOR ONCE AGAIN BRINGS
SOCIAL CONSCIENCE TO THE FORE, TI IS A SAFE PREDICTION THAT

THE ISSUE OF LAND REFORM WILL RETURN TO PROMINENCE. END SUMMARY.

2. FROM NOVEMBER 27, 1962 SUCCESSIVE CONSERVATIVE, CHRISTIAN DEMOCRAT AND MARXIST GOVERNMENTS PROMOTED LAND REDISTRIBUTION AS A SOCIAL OBJECTIVE. WITH THE ISSUANCE OF DECREE LAW 2247, JUNE 19, 1978, LAND IS DEEMED TO BE NO DIFFERENT FROM ANY OTHER RESOURCE. ITS ALLOCATION WILL BE FREELY DETERMINED BY MARKET FORCES. DECREE LAW 2247 OFFICIALLY ABROGATES THE FORMER AGRIAN REFORM LAW 16,640. JURIDICALLY, THIS ABROGATION: (A) ELIMINATES THE ABILITY OF THE GOVERNMENT TO EXPROPRIATE LAND HOLDINGS OVER 80 BASIC HECTARES, THE HOLDING OF MORE THAN 80 HACTARES PREVIOUSLY BEING ILLEGAL AND ITSELF THE BASIS FOR EXPROPRIATION; (B) ELIMINATES RESTRICTIONS ON THE FORMATION OF PRIVATE CORPORATIONS (SOCIEDADES ANONIMAS) IN MPE AGRICULTURAL SECTOR BY ABOLISHING CORPORATE LAND TENURE AS A BASIS FOR EXPROPRIATION; AND (C) PUTS UP FOR SALE 23 PERCENT OF ALL EXPROPRIATED LANDS (2,319,000 HECTARES DEFINED AS UNSUITABLE FOR AN AGRICULTURAL FAMILY UNIT I.E. CANNOT BE BROKEN DOWN INTO INDIVISUAL PARCELS.) WITH THE ACTUAL COMMUNAL WORKERS (ASENTADOS) BEING GIVEN THE FIRST RIGHT OF PURCHASE. IN ADDITION, DECREE LAW 2247 ABOLISHES THE LAND REFORM AGENCY CORA AS OF DECEMBER 31, 1978.

3. IN A PARALLEL ACTION THE GOC, THROUGH DECREE LAW 2221 (MAY 20, 1978) DETERMINED THAT LAND EXPROPRIATION REMAINS IN FORCE WHETHER OR NOT REASSIGNMENT BY CORA WAS ACCOMPLISHED WITHIN THE THREE-YEAR LIMIT PRESCRIBED BY LAW 16,640. THIS
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MEASURE WAS TAKEN IN RESPONSE TO A LAWSUIT BY A GROUP OF FORMER LANDOWNERS SEEKING RECOVERY OF THE TOTALITY OF THEIR PROPERTIES ON THE BASIS OF NONCOMPLIANCE WITH THE REASSIGNMENT TIME LIMIT SET BY LAW 16,640. IN REJECTING THE LANDOWNRS CLAIM, D.L. 2221 ESTABLISHES LEGAL OWNERSHIP TO 90 PERCENT OF REDISTRIBUTED LANDS AND EXTENDS THE RIGHTS OF FEE SIMPLE OWNERSHIP TO THE ASSIGNATORIES, INCLUDING THEIR RIGHT TO TRANSFER THESE HOLDINGS THROUGH SALE WITH THE APPROVAL OF CORA.

4. IN ADDITION TO THE ISSUANCE OF DECREE LAWS 2221 AND 2247, THE GOC, THROUGH A JUNE 20, 1978 AGREEMENT BETWEEN THE BANCO DEL ESTADO AND CORA, ALLOTTED A TOTAL OF CH\$800 MILLION (APPROXIMATELY \$25.2 MILLION) FOR GUARANTEED AGRICULTURAL LOANS TO BE USED BY FARMERS OF THE REFORMED SECTOR DURING THE 1978-79 CROP YEAR. FUNDS HAD BEEN AVAILABLE AT THE BANCO DEL ESTADO SINCE THE BEGINNING OF 1978, WITH, HOWEVER, REQUIREMENT OF A CO-SIGNER. CORA GENERALLY DECLINED TO ACT AS A CO-SIGNER FOR THE REFORMED SECTOR FARMER ON GROUNDS OF EXCESSIVE RISK. AS A RESULT, AS OF MAY 31 APPROXIMATELY 69 PERCENT OF THE LOAN REQUESTS FROM REFORM SECTOR FARMERS HAD BEEN REJECTED BY THE BANCO DEL ESTADO. CORA WILL NOW ACT AS A CO-SIGNER UP TO CH\$800 MILLION FOR OPERATIONAL INVESTMENT CREDIT GRANTED TO REFORM SECTOR

FARMERS.

5.THESE THREE MEASURES, TAKEN AS A PACKAGE, ARE DESIGNED BY THE GOC TO ESTABLISH A RATIONAL LEGAL AND ECONOMIC BASIS FOR FUTURE AGRICULTURAL GROWTH. ELIMINATING THE THREAT OF EXPROPRIATION AS WELL AS ARTIFICIAL LIMITS ON LAND HOLDINGS, GOC TECHNOCRATS BELIEVE, WILL PERMIT A RAPID CAPITALIZATION AND MECHANIZATION OF THE AGRICULTURAL SECTOR. THE CORA-BANCO DEL ESTADO ACCORD, WILL AT THE SAME TIME ADDRESS THE PROBLEM OF THE NEW LANDOWNERS WHO, UNABLE TO OBTAIN CREDIT, ARE BEING FORCED TO SELL OUT.

6. LAND REFORM RETROSPECTIVE NOVEMBER 27, 1962 - JUNE 19, 1978.
THE SOLEMNITY WHICH MARKED THE SIGNING OF LAW 15,020 ON NOVEMBER
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27, 1962 SEEMS QUAINLY NAIVE IN RETROSPECT. TO HAVE THOUGHT THAT IT, OR ITS OFFSPRING, AGRARIAN REFORM LAW 16,640 (JULY 28, 1967), COULD HAVE RESOLVED THE SCOURGES OF UNDERDEVELOPMENT -- HUNGER, MALNUTRITION, HIGH INFANT MORTALITY, ILLITERACY AND EXTREME POVERTY -- WAS WISHFUL THINKING, AT LEAST ACCORDING TO PRESENT GOC ECONOMISTS. IN THEIR VIEW, NO INJUSTICES AGAINST HUMAN WELL-BEING WILL SURVIVE A CONFRONTATION WITH THE ECONOMIC RATIONALITY OF PRICE THEORY CAPITALISM.

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WITH THIS OBJECTIVE IN MIND, ALFONSO MARQUEZ DE LA PLATA ASSUMED CHARGE OF THE MINISTRY OF AGRICULTURE ON APRIL 20, 1978. THIS EX-PRESIDENT OF THE SOCIEDAD NACIONAL DE AGRICULTURA (INCORPORATING ALL LANDOWNERS) AND SELF-PROFESSED POLITICAL RIGHTIST, CAME IN WITH CLEAR IDEAS FAVORING AN END TO AGRARIAN REFORM. HE HAS CONTINUED PREVIOUSLY INSTITUTED GOC POLICIES TO THEIR LOGICAL CONCLUSION. IN THE VIEW OF THE CRITICS, D.L. 2247 REPRESENTS THE FINAL REVENGE OF THE LANDOWNERS.

7. UNDER LAW 16,640, A TOTAL OF 9,965,888 PHYSICAL HECTARES REPRESENTING 895,752 BASIC IRRIGATED HECTARES WERE EXPROPRIATED (3,668,595 HECTARES UNDER THE FREI GOVERNMENT AND 6,297,273 UNDER ALLENDE). AT THE TIME OF THE MILITARY COUP ON SEPTEMBER 11, 1973, ONLY 1,158,703 HECTARES HAD BEEN REASSIGNED. THE JUNTA WAS THUS CONFRONTED WITH THE UNFINISHED BUSINESS OF REDISTRIBUTING 8,807,165 HECTARES. THIS WAS ACCOMPLISHED AS FOLLOWS:

HECTARES PERCENT

A) RETURNED WHOLLY TO PREVIOUS OWNERS	2,140,767	21
B) RETURNED PARTIALLY TO OWNERS	685,318	7
C) CORA RESERVES	856,542	9
D) TO PRIVATE INSTITUTIONS	411,853	4

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E) OWNED BY CO-OPS	1,107,144	11
F) REDISTRIBUTED	2,187,549	22
G) OWED TO TAX AUTHORITIES	257,693	3
H) ARID LANDS TO BE SOLD	2,319,000	23

8. THE TABLE DEMONSTRATES THAT AT LEAST 28 PERCENT OF THE EXPROPRIATED PROPERTIES HAVE BEEN RETURNED IN WHOLE OR IN PART TO THE FORMER OWNERS. ACTUAL PHYSICAL REDISTRIBUTION TO FARMER FAMILIES ACCOUNTS FOR ONLY 22 PERCENT OF THE TOTAL. THE GOC CLASSIFIED 23 PERCENT OF EXPROPRIATED PROPERTIES (2,319,000 HECTARES) AS ARID LAND NOT SUITABLE FOR SMALL SCALE AGRICULTURE. THIS LAND INCLUDES FORESTS, PASTURES, AND AREAS IN THE CORDILLERA FOOTHILLS WHOSE SINGULAR CHARACTERISTIC IS A SHORTAGE OF WATER. THOUGH DEFINED AS UNSUITABLE FOR BREAKDOWN INTO FAMILY PLOTS, THE ARID LANDS ARE OCCUPIED BY APPROXIMATELY 5,000 FARM FAMILIES EARNING OUT A SUBSISTENCE LIVING. FOR THE MOST PART THESE FAMILIES REPRESENT THE ORIGINAL WORKERS OF A FUNDO (ESTATE) THAT WAS EXPROPRIATED. WHILE AWAITING FINAL DETERMINATION AS TO LAND ORGANIZATION THESE FAMILIES WERE ORGANIZED BY PREVIOUS GOVERNMENTS INTO ASENTAMIENTOS (SETTLEMENTS SOMEWHAT SIMILAR TO A KOLKHOZ OR CIBBUTZ) AND WORKED ON A COMMUNAL BASIS.

9. CATCH 22 - CHILEAN STYLE. D.L. 2247 OF JUNE 19, 1978 IS AN ARTFUL LEGAL DEVICE OSTENSIBLY AIMED AT DIVESTING THE LAST OF THE EXPROPRIATED PROPERTIES IN CORA'S POSSESSION AND TURNING THEM

OVER TO THE ASENTADOS. RECOGNIZING THAT THE ASENTADOS HAVE LITTLE FINANCIAL MEANS TO MAKE PURCHASES, D.L. 2247 LEGALIZES INCORPORATION IN THE AGRICULTURAL SECTOR (AND PROPOSES THIS METHOD OF ASSOCIATION AS OPPOSED TO THE COOPERATIVES ESTABLISHED UNDER LAW 16,640). ACCORDING TO D.L 2247, THE PRESENT ASENTADOS WILL BE OFFERED THE FIRST RIGHT OF PURCHASE. TERMS ARE 10 PERCENT DOWN, WITH EQUAL ANNUAL PAYMENTS OVER 15 YEARS WITH TWO YEARS GRACE AT 6 PERCENT ANNUAL INTEREST PLUS THE CONSUMER
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PRICE INDEX (A TOTAL ANNUAL INTEREST RATE OF 46.4 PERCENT PER YEAR AS OF JUNE 1978). IF WITHIN 30 DAYS THOSE FAMILIES WISHING TO PURCHASE THEIR PROPERTY DO NOT RESPOND AFFIRMATIVELY TO THE SALE OFFER, THE PROPERTY WILL BE PUT UP FOR PUBLIC ACTUION. ASENTAMIENTOS WITH OUTSTANDING DEBTS TO CORA MUST CANCEL THOSE DEBTS IN FULL BEFORE JULY 19 OR THEY WILL BE CONSIDERED INELIGIBLE TO PURCHASE THE PROPERTIES IN QUESTION. MINISTER DE LA PLATA ON JULY 3 REJECTED A REQUEST FOR AN EXTENSION OF THE DEADLINE MADE BY THE CONFEDERATION OF REFORMED SECTOR FARMERS. THE FIRST AUCTIONS ARE NOW SET FOR JULY 26-27 IN THE CHILLAN-TEMUCO AREA. IF, THROUGH DECLINE, DEFAULT IN INELIGIBILITY THE PRESENT ASENTADOS DO NOT ACQUIRE THE LAND, THEY BECOME SUBJECT TO PROVISIONS REGARDING THE CONTRACTING OF THEIR LABOR TO THE ACTUAL PURCHASERS OF THE PROPERTY. THE ASENTADOS MAY SIGN OPEN-ENDED CONTRACTS AS MANUAL LABORERS WITH THE NEW OWNERS UNDER TERMS ESTABLISHED BY CORA. THOSE ASENTADOS WHO DO NOT SIGN A CONTRACT ARE REQUIRED TO VACATE AND GIVEN THE OPTION OF GOING ON LIMITED UNEMPLOYMENT RELIEF UNDER D.L. 603. IN ADDITION, THESE INDIVIDUALS MAY AVAIL THEMSELVES OF RETRAINING COURSES AND A LINE OF CREDIT TO PURCHASE HOUSING ELSEWHERE, PROVIDING THEY MEET CERTAIN CREDIT STANDARDS. HOWEVER, THE CH\$800 MILLION IN AGRICULTURAL CREDIT FROM THE BANCO DEL ESTADO IS NOT AVAILBLE FOR USE TO PURCHASE PROPERTY FROM CORA. IN FACT, AT PRESENT NO FUNDS OTHER THAN COMMERCIAL BANK LOANS ARE AVAILABLE TO THE ASENTAMIENTOS. THUS, IF THE ASENTADO CHOOSES NOT TO PURCHASE THE PROPERTY BUT IS WILLING TO CONTRACT HIS LABOR TO THE ACTUAL PURCHASER, THEN HE MAY STILL BE ELIGIBLE FOR A LOAN FOR THE PURCHASE OF ANOTHER PRIVATE PROPERTY ELSEWHERE. THE SAME APPLIES IF THE ASENTADO CHOOSES NOT TO PURCHASE THE PROPERTY AND NOT TO CONTRACT HIS LABOR. ANY ASENTADO WHO ELECTS TO PURCHASE THE PROPERTY MUST, HOWEVER, GO TO THE COMMERICAL MARKET WHERE MORTGAGE FUNDS ARE NOT AVAILABLE AS A RESULT OF GOC MONETARY RESTRICTIONS AIMED AT REDUCINT INFLATION.

10. UNDER THIS CATCH 22, UNOFFICIAL GOC ESTIMATES ARE THAT 60 PERCENT OF THE 5,000 ASENTADOS WILL REVERT TO BEING HIRED
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LABORERS, OR ELSE THEY WILL VACATE. APPROXIMATELY 40 PERCENT OF THE ASENTADOS ARE EXPECTED TO TRY AND PURCHASE THEIR PROPERTIES. ACCORDING, HOWEVER, TO CORA ONLY 23 PERCENT HAVE ENOUGH SAVINGS TO MAKE THE 10 PERCENT DOWNPAYMENT. IN DETERMINING SAVINGS CORA COUNTED AS ASSETS THE SALE OF FARM PROPERTY, PRIMARILY CATTLE. ON THE BASIS OF THIS ESTIMATE THE GOC EXPECTS BETWEEN 50 AND 73 PERCENT OF THE ARID LANDS TO REVERT TO PRIVATE ESTATES OR ABSENTEE CORPORATE OWNERSHIP.

1. WHILE OVERTLY AIMED AT FACILITATING THE PURCHASE OF NON-ASSIGNABLE PROPERTIES BY CASH-POOR ASENTADOS, D.L. 2247 IN EFFECT ESTABLISHES THE JURIDICAL BASE FOR A NO-NONSENSE LAISSEZ-FAIRE AGRICULTURAL POLICY.

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RECOGNIZING THAT MOST OF THE ASENTAMIENTOS HAVE LIMITED FINAICAL MEANS TO ACQUIRE THE PROPERTIES IN QUESTION, D.L. 2247 ESTABLISHES A LEGAL BASIS FOR INCORPORATION. THUS, ASENTADOS MAY POOL ASSETS TO ACQUIRE THE LANDS BY INCORPORATING THEMSELVES AS A BUSNINESS. HOWEVER, THE ULTIMATE BENEFICIARIES OF THIS PROVISION ARE MORE LIKELY TO BE WEALTHY LANDOWNERS AND BUSNINESSMEN THAN DESTITUTE FARMERS. WHEREAS PREVIOUSLY, SOCIEDADES ANOMIAS IN THE AGRICULTURAL SECTOR WERE PROHIBITED AND THEIR EXISTENCE THE BASIS FOR LAND EXPROPRIATION, UNDER D.L. 2247 SUCH FIRMS ARE NOW PERMITTED (AND THROUGH CREDIT AND TAX POLICY SPECIFICALLY EONCOURAGED).

12. THUS, UNDER THE COVER OF DIVESTING ITSELF OF THE LAST OF EXPROPRIATED LAND HOLDINGS THE GOC HAS ESTABLISHED THE BASIS FOR A PRE 1960-AGRICULTURAL POLICY (PRE-LAND REFORM) WEIGHTED IN FAVOR OF LARGE EXONOMIES OF SCALE. THE QUESTION NOW HAS ARISEN WHETHER THROUGH THIS PROVISION THE PATTERN OF LAND OWNERSHIP WILL RETURN TO THE LATIFUNDIO OR EVOLVE INTO AGRIBUSINESS.

13. STATISTICS ARE NOT AVAILABLE ON WHAT PERCENTAGE OF THE REDISTRIBUTED LANDS HAVE ALREADY BEEN SOLD OR FORFEITED.
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HOWEVER, UNOFFICIAL ESTIMATES BY THE UNIVERSITY OF WISCONSIN LAND TENURE CENTER (CENDERCO) AND THE INSTITUTE FOR AGRARIAN REFORM INVESTIGATION AND TRAINING (ICIRA) IN THE FIFTH (VALPARAISO) AND SEVENTH (CONCEPCION) REGIONS ARE THAT BETWEEN 35 AND 45 PERCENT OF THE RASSIGNED LANDS ARE NOW IN THE POSSESSION OF OTHER THAN THE ORIGINAL ASSIGNATORIES. UNABLE TO CARRY THE DEBT BURDEN PROVOKED BY HIGH INTEREST RATES THE REFORMED SECTOR FARMER IS BEING FORCED TO SELL, FORFEIT, ABANDON OR RENT HIS PROPERTY. THE CHIEF ARTIFICE BEING USED IS A 99 YEAR RENT WITH THE ASENTADO BECOMING A HIRED LABORER FOR THE NEW OWNERS. ACCORDING TO CENDERCO-ICIRA, THE NEW OWNERS INCLUDE THE PREVIOUSL LANDLORDS AND SANTIAGO BANK GROUPS. THE CHIEF INCENTIVE FOR THE ACQUISITION OF REDISTRIBUTED LANDS LIES IN THE ACCESS TO SPECIAL AGRICULTURAL CREDITS (PARTICULARLY FOR GRAPE GROWING AND REFORESTATION) AND TAX WRITE-OFFS. UNDER THIS EVASION THE NEW LANDOWNERS ACQUIRE CHEAP AGRICULTURAL CREDITS, REINVEST THE FUNDS IN THE DOMESTIC LOAN MARKET AND ATTRIBUTE AGRICULTURAL FUEL AND LABOR COSTS TO THE OPERATION OF OTHER INDUSTRIAL ACTIVITIES. ACCORDING TO JOSE GARRIDO, DEAN OF THE AGRICULTURAL FACULTY AT THE UNIVERSIT OF CHILE, AGRICULTURAL MINISTER DE LA PLATA INTENDS TO ELIMINATE EVASION OF RESTRICTIONS ON THE SALE OF REDISTRIBUTED LANDS SIMPLY BY REMOVING THE RESTRCTION. THIS MEASURE IS EXPECTED TO BE ANNOUNCED AFTER JULY 19 (THE DATE FIXED BY CORA FOR THE REPAYMENT OF OUTSTANDING OBLIGATIONS BY THOSE ASENTADOS WISHING TO PURCHAE THEIR PROPERTIES).

14. DOMESTIC ATTITUDES TOWARD D.L. 2247 VARY WITH THE POLITICAL DISPOSITION OF THE OBSERVER. TO THE PARTISANS OF LAND REFORM, THIS MEASURE SMACKS OF THE WORST KIND OF BOURGEOIS REVANCHISM. HOWEVER, FOR THE GOC ECONOMIC TEAM, D.L. 2247 IS THE PUREST KIND OF ECONOMIC RATIONALITY, AN EXPRESSION OF FAITH IN THE WORKINGS OF THE FREE MARKET. THE SOCIAL OBJECTIVES OF BOTH GROUPS ARE THE SAME. BOTH SINCERELY WISH, ALBEIT BY RADICALLY DIFFERENT
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MEANS, TO ABOLISH EXTREME POVERTY. TO ASCRIBE ONLY TO SELF-INTEREST THE ISSUANCE OF THESE NEW MEASURES BY THE GOC WOULD BE A UNFUNDAMENTAL ERROR. A BETTER FOUNDED BASIS FOR CRITICISM OF THE NEW LAND POLICY LIES IN ITS UNQUESTIONING FAITH IN LAISSEZ-FAIRE ECONOMICS ALONE AS THE SOLUTION. ACCORDING TO AGRICULTURE SECRETARY MARQUEZ DE LA PLATA, QUOTE RURAL PROSPERITY WILL COME WHEN ONLY THE EFFICIENT ARE LEFT ON THE LAND ... THIS PROCESS OF NATURAL SELECTION IS NOW OCCURRING ... TODAY'S FARMER IS AN INFORMED PERSON. HE HAS TELEVISION, RADIO AND UNDERSTANDS THE CONCEPT OF COMPETITIVE ADVANTAGE AND THE BENEFITS DERIVED THEREIN UNQUOTE. BEHIND THIS STATEMENT LIES CONSIDERABLE BITTERNESS ON THE PART OF THE LANDOWNING CLASS OVER WHAT THEY REGARD AS THE UNABASHED EXPLOITATION OF CHILE'S INHERENTLY PRODUCTIVE AGRICULTURAL SECTOR FOR POLITICAL PURPOSES BY FREI AND ALLENDE, AND ITS CONSEQUENT RUINATION. THE WHOLE EXPERIMENT, IN THEIR VIEW, WAS A RUNNING SORE AT LAST CAUTERIZED BY A LONG-OVERDUE RETURN TO PRE-1960 LEGAL CONDITIONS.

15. YET, EVEN SOME OF THESE CONSERVATIVES ARE WILLING TO CONCEDE A GROSS LACK OF POLITICAL SENSITIVITY BY DE LA PLATA AND THE GOC ECONOMIC TEAM WHO, BY ABOLISHING "REFORM" LEGISLATION, HAVE ALLOWED THIS REGIME TO APPEAR TO BE AGAINST THE LONG-TERM OBJECTIVES OF THE REFORM, WHICH WAS THE AMELIORATION OF THE LOT OF THE CHILEAN POOR. BETTER BY FAR, THEY ARGUE, TO HAVE PRESERVED THE FRAMEWORK AND MYTH OF AGRARIAN REFORM, AND THEN QUIETLY AMENDED IT OUT OF EXISTENCE. BY BEING TOO OVERT, THEY MAY HAVE LAID THE FOUNDATION FOR FUTURE, ANGRY AND CLASS-ORIENTED POLITICAL DEBATE.
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